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UNCLAS PANAMA 000584

SIPDIS

SENSITIVE

BUENOS AIRES PLS PASS TO AMB. ALLGEIER, USTR FOR JWOLFE

E.O. 12958: N/A

TAGS: [ETRD](#) [PM](#) [ECONOMIC AFFAIRS](#)

SUBJECT: PANAMA (FTAA/TNC): STRONG SUPPORT FOR THE G-14
PROCESS AND MOVING FORWARD ON THE PLURILATERAL

REF: STATE 44578

[1](#)1. (U) This message is sensitive but unclassified, please treat accordingly.

[1](#)2. (SBU) Panamanian Vice Minister for Foreign Trade Romel Adames told Econ Chief on March 8 that Panama would strongly support the USG position within the G-14 and moving forward with agreement on procedures for plurilateral negotiations. Adames added that at the February TNC Panama was prepared to "sign on" to the plurilateral, but understood why things were not there yet.

[1](#)3. (SBU) However, with regard to the plurilateral, he was clearly concerned about three aspects. First, overlap with the upcoming U.S.- Panama FTA negotiations. He noted that some in Panama are concerned that "if we go too far in the FTAA plurilateral there is no reason for the FTA," but added that everything would be open in the bilateral. He was also not keen on having the possibility of "free riders" in areas such as government procurement. Secondly, he expressed concern about a Caricom provision whereby that organization would receive an exclusion for certain EU subsidies, adding that this created a systemic problem if you make exceptions by name, but seemed open to putting such coverage in an annex. (Note: on the subsidies in question, he did not know what products they covered and requested clarification). Lastly, he expressed concern about a U.S. proposal whereby the U.S. would reserve the right to reimpose export subsidies if a country allowed product carrying export subsidies in. He said this would create a problem if Panama were to remove tariff barriers. He added, "we understand your concerns, can you see ours?"

[1](#)4. (SBU) VM Adames said that because of civil society outreach in Panama on the upcoming bilateral, he might not arrive in Puebla until March 19. Nonetheless, the U.S. could count on Panama at the TNC meeting.
WATT